

Message Text

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70

ACTION EB-1**

INFO OCT-01 ARA-16 ISO-00 INT-08 GSA-02 AF-10 * EA-11 EUR-25

NEA -10 RSC-01 COME-00 CIAE -00 DODE-00 INR-10 NSAE-00

PA-04 USIA-15 PRS-01 SPC-03 FPC-01 AID-20 FRB-02

TRSE-00* XMB-07 OPIC -12 CIEP-02 *LAB-06 SIL-01 OMB-01

NSC-10 SS-20 STR-08 CEA-02 L-03 DRC-01 /224 W

----- 110971

R 272038Z DEC 73

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 1812

UNCLAS LA PAZ 7719

E.O. 11652: N/A

TAGS: EMIN ETRD BL UK

SUBJ: TIN

LA PAZ PRESS REPORTS OF THE RECENT ACTION TAKEN BY CAPPER
PASS SMELT*NG FIRM (U.K.) HAVE NOT BEE ACCURATELY REPORT*D
IN THE PRESS. CAPPER PASS I NOW THE PRINCIP*L BUYER OF
BOLIV AN TIN CONCENTRA ES. THE TEXT O THE TELEX SENT
BY CAPPER PASS O ALL BOLIVIAN SU*PLIERS, ACTUAL AND
POTENTIAL, IS, THEREFORE, QUOTED BELOW.
"ENERGY CRISIS AND ELECTRICI*Y SUPPLY REDUCTION.

"1. E REGRET THAT OUR ABILITY TO TREAT MATERIAL HAS BEEN
DRASTICALLY REDUCED BY RECENT CIRCUMSTANCES WE DO OT WISH TO
DECLARE FORCE MAJEURE AND SO PROPOSE AS*FOLLOWS FOR THE
ORBITA AND SUBSEQUENT SHIPMENTS.

"2.- WE*SHALL PRICE HALF O EACH SHIPMENT NORMALLY AND
HAL* AS IF ITS ARRIV L HAD BEEN POSTPONED BY THE DURATION
OF OUR ABNORMAL WORKING WHICH STARTED MONDAY 17 DECEMBER.

"3. WE SHALL *AY FOR EACH HALF SHIPMENT ON THE CORRESPONDING
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DATES EXCEPT THAT FINAL SETTLEMENTS SHALL BE MADE AS EARLY
AS POSSIBLE AFTER THE APPROXIMATE FULL VALUE PAYMENT IS DUE.

"4. YOU WILL NO DOUBT UNDERSTAND THAT THE ENERGY CRISIS CONSTITUTES A SEVERE STRAIN ON OUR ABILITY TO SMELT AND REFINE YOUR MATERIALS, AND WE HOPE YOU WILL AGREE THAT THESE PROPOSALS ARE A FAIR AND REASONABLE COMPROMISE AND THAT YOU WILL SEND US YOUR AGREEMENT TO THEM."

COMMENT. IF THE ENERGY CRISIS PERSISTS AND CAPPER PASS REMAINS ON A SHORTENED WORK WEEK, THE LAG IN PAYMENT FOR 50 PERCENT OF EACH SHIPMENT IS LIKELY TO GROW, POSSIBLY TO AS MUCH AS SIX MONTHS DURING THE COURSE OF A YEAR. AS VIRTUALLY ALL TIN AND OTHER CONCENTRATE EXPORTS ARE BANK FINANCED, ONE EFFECT OF THE CAPPER PASS MEASURE WILL BE TO INCREASE THE TERM AND INTEREST PAID ON EXPORT FINANCING. ANOTHER EFFECT WILL BE TO RESTRICT SUPPLIES OF SMELTED TIN METAL, TENDING TO INCREASE TIN PRICES.

STEDMAN

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Message Attributes

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Draft Date: 27 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Previous Handling Restrictions: n/a
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Review Event:
Review Exemptions: n/a
Review History: RELEASED <14-Jan-2002 by williadtr>; APPROVED <20 FEB 2002 by boyleja>
Review Markings:

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US Department of State
EO Systematic Review
30 JUN 2005

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